

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6941**

**BILL NUMBER:** HB 1261

**NOTE PREPARED:** Jan 8, 2012

**BILL AMENDED:**

**SUBJECT:** County Recorders.

**FIRST AUTHOR:** Rep. Heuer

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
☐ **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** *County Auditor Fee-* The bill requires the county auditor to record a copy of a certificate of sale within 30 days after a tax sale. The bill allows the county auditor to charge a fee of \$25, to be collected from the proceeds of the tax sale, for the cost of recording a certificate of sale.

*Instrument Number-* The bill provides that the notice of a tax sale or sale of a certificate of sale required to obtain a tax deed must include the instrument number of the certificate of sale and the date the certificate was recorded.

*Increase of Copy Fees-* The bill increases from \$2 per page to \$5 per page the fee for providing copies of records on paper larger than legal size.

*Additional Fees-* The bill provides the following: (1) Establishes inclusive fees for recording mortgages, deeds, assignments, affidavits, satisfactions, releases, and tax sale certificates. (2) Requires that after certain fees are deducted, the remainder of the fees collected for recording these documents must be deposited in the recorder's records perpetuation fund (RPF).

*County ID Security Protection Fee-* It provides that the county identification security protection fee for recording a document is included in the fee charged for recording a mortgage, deed, assignment, affidavit, satisfaction, release, or tax sale certificate.

*Recording Nonconforming Document-* The bill provides that with regard to recording a nonconforming document: (1) requires (rather than allows) the recorder to attach additional pages as needed; and (2) requires the recorder to collect an additional \$25 fee for the entire document (instead of an additional fee of \$1 for

each nonconforming page).

*Maintaining Fee Provisions-* The bill maintains the following requirements: (1) \$5 of each deed recording fee is deposited in the surveyor's corner perpetuation fund. (2) \$2.50 of each mortgage recording fee is deposited in the state General Fund and the Homeowner Protection Unit Account.

*Affordable Housing Fund Fee-* The bill provides that a county ordinance adopted before, on, or after July 1, 2012, that authorizes the collection of a fee on each document recorded, a part of which is deposited into the county's affordable housing fund or housing trust fund, authorizes the county recorder to charge the fee as part of the fee collected for each mortgage, deed, assignment, affidavit, satisfaction, release, or tax sale certificate recorded.

*Recording Document Standards-* The bill provides that for purposes of recording, a document should conform to the standards set forth in statute, but may not be rejected unless the document is considered to be illegible by the county recorder or is incapable of being archived.

**Effective Date:** July 1, 2012.

### **Explanation of State Expenditures:**

**Explanation of State Revenues:** *Maintaining Fee Provisions-* In the case of a mortgage or similar document recorded, the \$2.50 homeowner protection unit fee would be directed from the \$100 inclusive fee for a mortgage related document under the bill. That fee revenue would continue to go the state General Fund and Homeowner Protection Unit Account.

**Explanation of Local Expenditures:** *See Explanation of Local Expenditures.*

**Explanation of Local Revenues:** *Summary:* With respect to inclusive fees for recording mortgages, deeds, assignments, affidavits, satisfactions, releases, and tax sale certificates, county recorders would be able to save some time when recording mortgage type documents. Recorders would no longer have to count the number of pages to be recorded. Given the lengthy nature of mortgage documents, it is likely the inclusive fee of \$100 for a mortgage document would be close to the sum of the current per-additional-page fee.

*County Auditor Fee-* This bill authorizes the auditor to include a \$25 fee in the minimum bid of a property to be sold at a tax sale. The auditor will collect the fee when the property is sold. The auditor, in turn, has to use this fee to record the certificate of sale with the recorder's office. If the recording fee is less than \$25, the auditor would be able to retain the difference.

The Marion County Recorder's office currently charges \$18.50 for recording the first page of a tax deed that does not exceed 8.5" x 14", and \$3.00 for each additional page. Assuming the tax sale certificate is one page, the cost of recording it would be about \$18.50; two pages would cost approximately \$21.50.

County auditors would have the ability to retain \$25 from each proceeds from a completed tax sale, to in essence, transfer the fee to the recorder to record the certificate of sale.

*Additional Fees-* The inclusive fees established by the bill would be \$100 for mortgages, \$25 for deeds, \$25 for assignments, \$25 for an affidavit, \$25 for a satisfaction, \$25 for a release, and \$25 for tax sale certificates.

From the inclusive fees that would be established by the bill the following would be deducted: the \$2.50 homeowner protection unit fee to the state General Fund; the \$2 county security fee (which goes to the county redaction fund), if the county has established it, the fee for the county affordable housing or housing trust funds, and \$5 to the county surveyor's corner perpetuation fund. The distribution percentages with either an affordable housing or housing trust fund would remain the same. The percentages are 60% to county housing trust funds and 40% to the state Affordable Housing and Community Development Fund.

*Increase of Copy Fees-* Fees on larger than legal size paper would increase by \$3 per page. The revenue from this fee is deposited into the county recorders perpetuation fund.

**State Agencies Affected:** Homeowner Protection Unit, Indiana Housing Finance Authority.

**Local Agencies Affected:** County auditor, recorder.

**Information Sources:**

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